# CALSTARS
# 2002
# Annual
# Report

DEPARTMENT OF FINANCE
CALIFORNIA

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# Annual Report
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## INTRODUCTION

The CALSTARS Annual Report provides CALSTARS agencies with a summary of system operational activities and development efforts during the previous calendar year.  In part, this document demonstrates our commitment to continue the strategic development of CALSTARS on behalf of its client agencies.  Through such efforts, significant workload savings can be achieved for each agency and for the State in general.

This report as well as other CALSTARS documents including CALSTARS Operations Memos (COMs) and the CALSTARS Procedures Manual (CPM) are available through the CALSTARS web site at www.dof.ca.gov/html/calstars/index.html.  Manual updates and COMs are no longer distributed on paper.

In December, an e-mail subscription service (to create a CALSTARS Operations list) was established to facilitate communications with CALSTARS agencies.  The CALSTARS Operations list is used to notify subscribers of CPM updates and new COMs and occasionally to provide subscribers with system operations information.  CALSTARS agency staff who receive these documents or who need to be aware of CALSTARS operations should subscribe to the distribution list at www.dof.ca.gov/archives/calopsjoin.htm.

## SYSTEM CHANGES

For the 2002 calendar year, the majority of our system development resources have been devoted to the projects described in the CALSTARS Annual Plan. A number of these projects have the potential to help CALSTARS agencies save time and manpower through more automation. This is particularly important in the current fiscal environment with increased demands and limited resources. We also continue to strive to make CALSTARS a valuable, efficient and cost-effective resource for our clients.

During 2002, work continues on the following major projects described in the CALSTARS Annual Plan:

★ **Automation of DGS Invoices** – Currently, agencies must manually key expenditures into CALSTARS based on invoices received from Department of General Services. We are continuing to work on a process to receive DGS invoice information electronically and to generate batched accounting transactions for uploading as online batches for agency action. The automated process will significantly reduce the manual workload for many CALSTARS agencies.

★ **Automated TEC Payment Process** – The State Controller's Office (SCO) has developed CalATERS (California Automated Travel Reimbursement System) to electronically process employee travel expense claims and reimbursements. We are continuing to work with the SCO to complete the interfaces between CalATERS and CALSTARS. The interfaces will automatically create the various accounting entries necessary to record travel advances and travel expense reimbursements. Several automated interfaces between the two systems have already been developed.

★ **Automated YE Statements to SCO** – Agencies are currently required to submit a series of year-end financial statements that represent the same fiscal data in various ways. This is a complex, time-consuming, highly stressful task that can potentially lead to a high error rate and late reporting. We are continuing our effort to automate this process and send the year-end financial data electronically. This project will greatly benefit the CALSTARS client agencies and the SCO.

★ **Electronic Storage and Retrieval of CALSTARS Reports** – This year we decided to suspend our pilot project using Monarch ES. While we may all agree that the concept of archiving and retrieving CALSTARS reports on-line is a very worthwhile endeavor, we have come to the conclusion that Monarch ES Version 2.5 is not the product that will allow us to achieve this objective. At this time, we are evaluating other similar products including a newer version of Monarch ES (3.01). Our goal is to find a viable product that will allow us to accomplish our goals of easy, online access to reports and of reducing or eliminating microfiche for report storage.

The following system enhancements were installed during the 2002 calendar year:

★ A new feature was added to the report request process entitled "List of Report Groups" under Command G.5. This feature allows agencies to establish and retain a pre-defined group of reports. For example, an agency's monthly reconciliation reports can be requested on a reoccurring cycle by simply submitting the report group. This eliminates the need to request monthly reports on an individual basis. Specific organizational units or individuals who need specific types of reports on a regular basis can also use this feature.

★ The CALSTARS Procedures Manual, Transmittal Letters and CALSTARS Operations Memorandums are now maintained and available as electronic documents. To improve usability of the CALSTARS Procedures Manual on the Internet within Adobe Acrobat,

"bookmarks" were added for navigation to any chapter within the 7 Volumes of the CPM. A new Internet search feature by keyword is also available which searches all 7 volumes of the CPM.

★ The Online History Inquiry Selection Screen was modified to facilitate and encourage agencies to create more efficient searches against the database. Important key fields such as the Claim Schedule, Reference Document, Vendor Number, Current Document, Index, Object Detail, PCA, Project and Check Numbers are now highlighted. Entering data in one or more of the highlighted fields will narrow the scope of the search, which will improve response time, conserve computer resources and reduce agency cost.

★ Modifications were made to the CALSTARS Preprocessor, which is run against agencies' external financial input files, to edit and reject transactions by batch groups rather than by the organization. This change is reflected in the CSB090-1 and CSB090-2 Reports. Edits were also added to reject Automated Check Transactions included in external batches.

★ Action is under way on an individual agency basis to change the protocol for all externally submitted input data for CALSTARS Tables and financial transactions. The change will allow agencies to submit data into a predefined file that is automatically extracted by CALSTARS for processing. This will eliminate the need for agencies to call the CALSTARS Production Control Unit when there is input data for processing.

★ A vendor search pop-up screen was added to both the Vendor Edit Table Maintenance screen and the Vendor Payment Shadow File Inquiry screen. It is accessed by pressing F1 when the cursor is properly placed. This feature allows agencies to find the desired vendor by either Vendor Number or Vendor Name. Once located, the Vendor Number can be retrieved into the Vendor Edit or Vendor Payment Shadow File Inquiry screens.

★ Based on customer suggestions, we added two fields, Multi-purpose and Fund Source, to the Online History Inquiry – Selection screen (Command H.6 on the Main Menu). The Multi-purpose field was also defined as a KEY search field to facilitate more efficient searches.

★ Based on customer suggestions, we modified the H08 report, entitled "Revenue Transaction Register", to include abatement transactions that post against GL 9000 with a Source Code of 580nnn. Abatement transactions are listed prior to other types of receipts on the H08 report.

★ The H08, Q24, Q25 and Q27 Reports were modified to include receipts for Refunds To Reverted Appropriations (GL 9891) if the transactions were posted in CALSTARS using Source Code 570000.

★ The List Of Batches screen (Command C.2 on the Main Menu) was modified to add a new column of data under the title "GROUP". This column gives the batch's Group designation, e.g., Encumbrance, Claim Schedule, Cash, ORF or General Purpose. This makes it easier to identify the various types of batches.

★ To improve usability of the Organizational Control Table screen and its associated reports, modifications were made to enhance visual clarity.

Some anticipated system enhancements for the 2003 calendar year are as follows:

★ Modifications to all History File Reports to allow multiple versions of a specific report to be requested within the same day.

★ A number of Document File edits will be done during the online transaction input process.

★ A new search interrupt feature is being developed for the Online History File Inquiry process to help agencies curtail costly searches. New edits for reasonableness and compatibility are also being added.

★ The U0I Report will be modified to allow more selection options such as specific Vendor Types, ORF or Non-ORF.

## MONARCH

The use of Monarch PC software continues to grow and significantly improve each agency's internal reporting processes.  With the release of Monarch Version 6, CALSTARS agencies now have the ability to access more types of reports and data.  Monarch V6 can immediately integrate data from enterprise systems with MS Office and other leading applications without programming. The Monarch V6 Standard Edition uses reports as a source of data.  The Monarch V6 Professional Edition has all the capabilities of the Standard Edition.  In addition, it adds the ability to import and join data from other sources, including popular spreadsheets, databases, and ODBC data sources.  It also now has the groundbreaking ability to extract, analyze and export data from HTML files.

Monarch Pro is the powerful business intelligence solution for everyone.  It adds improved data capture capabilities, improved exporting capabilities including export in HTML and Office XP formats, improved formatting and enhanced usability, improved summary view features, and a new 'Address Blocks' wizard.  Virtually any report used in your organization can be brought alive in Monarch.  These files are commonly known as print files, spool files, TXT files, formatted ASCII files, PRN files and SDF files.  Monarch is the ideal solution for managers, analysts, accountants, and IS professionals who want to access, manipulate and export data from reports.

CALSTARS continues to provide Monarch training classes. The Monarch classes are in high demand. In the past, we have conducted classes during the month of January through April. This year we will be conducting eight classes beginning in September and continuing through April. Monarch Training is available to all employees of a CALSTARS agency. The Monarch trainer leads the participants interactively through basic and advanced operations of Monarch. In a small classroom setting (10 students per class), students learn how to read report file data, create data extraction templates, query, filter, sort, summarize and export data for use with other PC applications. The tuition fee is $200 per participant. See COM 02-05 for the current class schedule.

## COMMUNICATIONS WITH AGENCIES

CALSTARS agencies are informed of upcoming changes to policy or procedures through CALSTARS Manual Transmittal Letters (TLs) and CALSTARS Operations Memos (COMs) via the Internet, the CALSTARS News, e-mail notification and through the CALSTARS/Monarch Users Group. Additional communications, such as the training schedule and CALSTARS Contacts, are also available on the CALSTARS Web pages. The following paragraphs describe some of the changes that occurred during 2002 as well as a brief discussion of the CALSTARS News and the CALSTARS/Monarch Users Group.

**CALSTARS Web Page** – The Internet is now the sole source of CALSTARS documents, which includes the CALSTARS Procedures Manual (CPM), CALSTARS Manual Transmittal Letters (TLs), COMs, the Annual Plan, and the Annual Report. Paper copies of these documents are no longer distributed. A zipped file of the CPM is available for downloading to your PC or local environment. Training schedules, contact information, as well as other useful information is also available. The CALSTARS internet site can be accessed at www.dof.ca.gov/html/calstars/index.html.

**CALSTARS Subscription Service** – A subscription service is available for clients who wish to receive notifications of new TLs or COMs through e-mail. Clients may subscribe to this service by accessing www.dof.ca.gov/archives/calopsjoin.htm.

**CALSTARS Online News** – In 2002, we issued 133 News items and advertised 98 job opportunities. The CALSTARS News continues to be a popular method of advertising vacancies.

**CALSTARS /Monarch Users Group** – The CALSTARS/Monarch Users Group continues to serve as a forum for agency staff to voice comments and suggestions for further enhancement to CALSTARS. Currently meetings are being held on a need basis rather than being regularly scheduled. If you have suggestions or ideas for agenda items, please contact Judy Lewis-Matlock at Judy.Lewis-Matlock@dof.ca.gov.

# CLIENT SUPPORT

The Quality Implementation Check (QIC) Review program continued this past year. A "QIC Review" is done when an agency requests a review of their accounting practices and/or procedures. We began the year with five active QICs, completing two. In addition, we started one new review. In all, we spent over 375 hours providing QIC support.

In addition to QIC support, we provided over 2110 hours of agency requested support to over 28 agencies. Examples include:

★  Assisted with year-end processes and statements.

★  Reviewed cost allocation processes and methodologies.

★  Assisted agencies in monthly SCO reconciliations, bank reconciliations and Office Revolving Fund problems.

★  Implemented project accounting to track subsystem costs.

★  Assisted agencies in implementing new legislation.

★  Worked with agencies on internal control issues.

★  Implemented the Office Revolving Fund feature and checkwriter at several agencies.

★  Provided general support to agencies on downloading report files and creating external transactions for interfacing to CALSTARS.

CALSTARS staff maintained the HOTLINE each working day from 8:30 AM until 4:30 PM. In addition, our staff maintained the HOTLINE for seven Saturdays in July and August from 8:00 AM until 1:00 PM to provide additional assistance for financial statement preparation and for year-end closing.

In addition to telephone support, agencies also access the HOTLINE via e-mail at HOTLINE@dof.ca.gov.

# REPORTABLE PAYMENTS

The Reportable Payment process was run as scheduled on December 24, 2002. Agencies processed 261,431 reportable payment transactions during the year. On behalf of all CALSTARS agencies, we electronically reported 17,477 information returns (Form 1099)

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totaling $ 2,945,748,545.45 to the Franchise Tax Board (FTB) and the Internal Revenue Service (IRS). This consolidated filing is beneficial to agencies because they no longer need to individually:

★ Prepare and mail the 1099 form to each vendor that receives reportable payments from the agency.

★ Report the information to the FTB and IRS.

## TRAINING

CALSTARS Training continues to be a success with our client agencies.

The following table shows the number of classes conducted and students attending classes over the past two years:

| TRACK | CLASS TITLE | LAST YEAR | | THIS YEAR | | CHANGE | |
|---|---|---|---|---|---|---|---|
| | | CLASSES | STUDENTS | CLASSES | STUDENTS | CLASSES | STUDENTS |
| I | CALSTARS Overview/Intro | 10 | 208 | 7 | 137 | -3 | -71 |
| II | CALSTARS Tables | 1 | 20 | 2 | 39 | 1 | 19 |
| III | Detailed Accounting | 9 | 175 | 7 | 136 | -2 | -39 |
| IV | Labor Distribution Subsystem | 3 | 48 | 2 | 27 | -1 | -21 |
| V | SCO Reconciliation/ Month-end Close | 2 | 40 | 4 | 66 | 2 | 26 |
| VI | Office Revolving Fund and Check-writer Subsystem | 3 | 60 | 4 | 76 | 1 | 16 |
| VII | Cash Receipts and Accounts Receivable | 4 | 78 | 3 | 52 | -1 | -26 |
| VIII | Operating Transfers, Bonds and Loans | 1 | 19 | 1 | 17 | 0 | -2 |
| IX | CALSTARS Reporting | 9 | 185 | 3 | 50 | -6 | -135 |
| YEC 1 | Planning for Year-end Closing - 1/2 day | 5 | 162 | 4 | 136 | -1 | -26 |
| YEC 2 | Preparing Year-end Statements- 1, 2, or 3-day Session | 15 | 287 | 16 | 308 | 1 | 21 |
| | Monarch for Windows | 8 | 77 | 10 | 80 | 2 | 3 |
| | TOTALS, ALL CLASSES | 70 | 1,359 | 63 | 1,124 | -7 | -235 |
| | TOTAL STUDENT DAYS [1] | 2,144 | | 2,032 | | -112 | |

[1]Defined as the number of days of training in each track multiplied by the number of trainees in each track.

All CALSTARS training classes, except for the Monarch class, continue to be available at no direct cost to CALSTARS agencies. Each CALSTARS class covers a different functional area within an accounting operation. Through the Training System and the personal computers in our training room, we can simulate all parts of the CALSTARS system. We use the "hands on" training technique in nearly every class. Two analysts are assigned full time to maintain and conduct the CALSTARS training classes. The current schedule of classes, registration form, and course descriptions are included in COM 02-05 and are accessible through the CALSTARS web site.
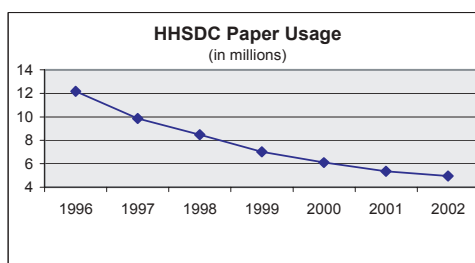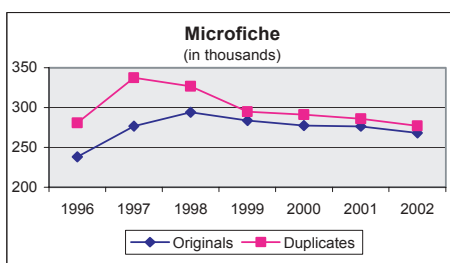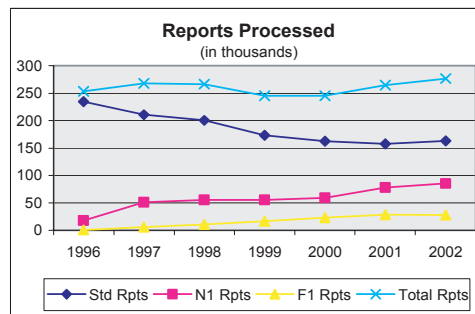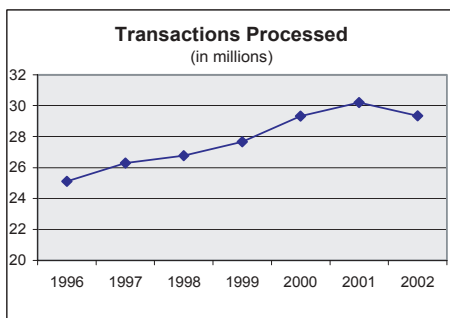
# DAILY OPERATIONS

With some small deviations, processing trends established over the past few years continued in 2002. The following are brief comments on the data in the table:

★ **Transactions Processed**: For the first time in a number of years, the total count of transactions processed during this past year decreased by 2.9%.

★ **Report Requests**: Total report requests increased slightly by 4.6 %. Otherwise, the trends established over the past few years have continued this year.

★ **Microfiche**: Slight decrease in original and duplicate requests of about 3%.

★ **HHSDC Paper Usage**: CALSTARS client agencies continue to reduce their dependence on HHSDC to print their reports. This year, pages printed at HHSDC have gone down by 7.4%.

## CALSTARS Processing Statistics, 1996-2002

|  | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|
| Transactions | 25,113,011 | 26,288,615 | 26,765,924 | 27,650,209 | 29,320,065 | 30,209,105 | 29,337,278 |
|  |  |  |  |  |  |  |  |
| Report Requests: |  |  |  |  |  |  |  |
|   Standard Reports | 234,603 | 210,700 | 200,361 | 172,924 | 162,431 | 157,688 | 162,994 |
|   "N1" Reports | 17,923 | 51,214 | 55,411 | 55,665 | 59,381 | 77,995 | 85,509 |
|   "F1" Reports | 822 | 6,020 | 10,906 | 16,700 | 23,460 | 28,678 | 28,122 |
|     Reports Total | 253,348 | 267,934 | 266,678 | 245,289 | 245,272 | 264,361 | 276,625 |
|  |  |  |  |  |  |  |  |
| Microfiche: |  |  |  |  |  |  |  |
|   Originals | 238,092 | 276,618 | 294,121 | 283,822 | 277,209 | 276,317 | 268,013 |
|   Duplicates | 280,605 | 337,399 | 326,588 | 294,605 | 291,120 | 285,912 | 276,862 |
|  |  |  |  |  |  |  |  |
| Paper Usage | 12,166,622 | 9,850,636 | 8,475,380 | 7,014,871 | 6,107,344 | 5,350,801 | 4,952,537 |



Transactions Processed (in millions)



Reports Processed (in thousands)



Microfiche (in thousands)



HHSDC Paper Usage (in millions)

# System Costs

CALSTARS system processing costs increased by a moderate 16% over the past year. Similar to prior year, this increase was primarily due to increased CPU usage mostly in the area of online processing. It appears as if the significant increase we experienced in online usage due to the online History File Search feature, released in 2001, has begun to reach a plateau. Microfiche and HHSDC print costs continue to decline slightly, 3% and 9.2%, respectively.

We have made several changes to the Online History File Search, which will be installed in early 2003. These changes will help make searches less costly, time consuming, and will help clients use the search feature more efficiently. As part of our normal system reviews and objectives, we will continue to look for ways to reduce costs and to keep CALSTARS system costs at a reasonable level.

# Conclusion

Departments continue to rely heavily on the informational content of their automated systems for day-to-day operations and management decision-making. Recognizing that, we continue to focus on several goals for CALSTARS on their behalf.

★ Sustain the original goals and objectives established for CALSTARS

★ Operate and maintain a value-added, cost effective accounting system

★ Maintain an efficient and cost effective technology base and infrastructure for CALSTARS

★ Respond to the business needs and demands for timely and accurate fiscal information and financial reporting

★ Apply new or improved technologies to enhance the system's functionality

Consistent with these goals, work continues on a variety of projects discussed in the Annual Plan. These include Automation of DGS Invoices, Automated TEC Payment Process, Automated Year-end Statements to SCO, and Electronic Storage and Retrieval of CALSTARS Reports. Each of these projects is discussed briefly in the System Changes section of this report.